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# THE Agricultural Situation

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[ The AGRICULTURAL SITUATION is sent free to crop and price reporters in connection with their reporting work ]

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# Our Agricultural Potential

**O**UR DECISION to strengthen our defenses, not only to meet the Korean situation but for whatever lies ahead, again forces us to take stock of our agricultural resources in terms of possible emergency needs. And judging from the heavy wave of buying in the weeks following the outbreak of hostilities in Korea, many of our citizens had suddenly become worried about shortages.

Less than 3 months ago, we were concerned about the threat of surpluses of many of our important farm commodities. Stocks of wheat, corn, cotton, eggs, dairy products, and several other commodities had been growing. Acreage allotments were in effect for 1950 on several crops. The Government had been taking large quantities of some commodities out of commercial channels to keep prices at support levels set by legislation. Much thought was being given to the adjustments that must be made if farmers were to avoid the difficulties that plagued them through the 1920's and 1930's.

## Supply Picture Unchanged

The Korean outbreak did not, of course, change our supply picture overnight. We still have about the same stocks of farm products that we had a few short weeks ago. The crops we are producing in 1950 are expected to total larger than in 5 of the last 8 years and output of livestock products will be larger than in most recent years. As was pointed out in last month's **AGRICULTURAL SITUATION**, supplies of food during coming months are expected to continue at the high level of the last 2 years, even if the armed forces take more.

The chief short-run effect of the new defense program on food and other farm products is likely to be a strengthening in demand, especially for meat, milk, fruits, and vegetables. This would result largely from an increase in consumer incomes. But if

a situation involving a high defense and international aid budget were to prevail for several years, would food supplies be adequate? Would we have ample food production capacity?

## Need Ample Reserves

In such a partial mobilization situation, the capacity of our farm plant seems fully adequate to produce sufficient farm products unless serious labor and material shortages develop. But we do need to continue to carry ample food and feed grain reserves to protect against the possibility of drought and other unfavorable crop conditions. And even with adequate over-all production capacity we might need to shift more productive effort into products likely to be in strongest demand.

In our stock-taking of our agricultural resources, however, it isn't enough to think merely in terms of such a situation. In these uncertain times, we need to consider also our agricultural potential if total mobilization became necessary. How much and how soon could we increase production in case of need?

On this point, the way in which farmers responded to the requirements of World War II is an encouraging bit of history. As we entered the war, farmers were beginning to recover from the effects of the depression and droughts of the 1930's. Although great strides in farm technology had been made during the preceding 20 years, relatively little of it actually had been adopted by farmers. Improved production practices in farming, as in industry, require new investment. Farmers generally in the years just before the war could not afford substantial capital expenditures.

The rise in prices of farm products and the wartime need for increased supplies provided the incentives for all-out production. Farmers drew heavily on the backlog of improved production

practices that had been developed during the interwar years. The weather was favorable and agricultural output soared.

By 1942, the first year after Pearl Harbor, the output of farm products was 28 percent higher than the 1935-39 average and a sixth higher than in 1940. Output stayed near the 1942 level through 1945, even though workers were leaving the farms to enter the armed services or take jobs in the city. In 1942, farm employment was 5 percent lower than the prewar average; in 1945 it was 10 percent lower. Farm operators made up for the loss of workers by putting in longer hours themselves, and by using family workers more fully.

### Improvements Continue

The incentive to produce did not end with the close of the war. In the first few postwar years, prices of farm products rose and the need for food to feed the war-torn areas of Europe and Asia was critical. Farmers continued to adopt improved methods of production and output climbed. Output reached an all-time peak in 1948, and again in 1949, when it was 9 percent more than in 1942 and 40 percent more than in 1935-39. Output is expected to fall off only slightly this year, even though acreage of important crops has been reduced. Despite an increase of 14 percent in our population since 1940 and our heavy exports of food, we have been eating 10 to 15 percent more per person.

Today, the farm plant is better equipped than ever before and more farmers have more of the "know-how" necessary for large volume production. Since 1925-39, farmers have tripled the number of tractors they use and more than doubled the number of trucks. This substitution for animal power has released many acres for the production of food for human use that had been devoted to feed crops. The number of other modern machines has increased tremendously. Crop production per acre has increased 30 percent above prewar. The number of animal units of breeding livestock is 14 percent greater while output per breeding unit is up 20 percent.

A measure of the resources farmers use in production in 1949—land, buildings, machinery and equipment, livestock and labor—indicates that farmers used a fourth more resources than prewar. Since total output was up 40 percent, output per unit of production was about 12 percent higher.

The striking gains in productivity in the last decade by no means have exhausted all possibilities. Most of the forces responsible for past increases will continue if market conditions are favorable. Farmers will replace more horses and mules with tractors and the number of other machines on farms will increase. More lime and fertilizer, better conservation practices, improved varieties of plants and animals, more effective control of insects and disease, better feeding methods will be adopted by farmers. Furthermore, farmers will learn more about using these practices in the most productive combinations. Some new farm land is being developed from irrigation, drainage, and clearing.

### Quick Boost Possible

If we are faced with an emergency that requires us to produce much more farm products, either for ourselves or other nations, output could be stepped up more rapidly than would be expected under peacetime conditions. How much and how quickly we could boost output would depend largely on the nature of the emergency and the steps taken to meet it. Although many factors would have a part in determining our agricultural productivity, the following are among the more important:

*How much time we would have:* If an emergency is to last for some years, new land can be brought into cultivation and farmers can change their production practices toward a higher level of production for a long period. Measures of this sort might require substantial outlays of money, labor, and materials.

For a shorter period, it would be possible to increase sharply the production of some products, such as wheat, at the expense of products less needed. Increased use of chemical fertilizers and lime is another way—



probably the most effective way—to boost production quickly.

In some cases, measures to be taken to boost production in the short-run might conflict with long-run objectives. For example, continuous cropping of wheat at the expense of summer fallow might reduce output later on.

*How we decide to use our resources:* Decisions about how all of our national resources are to be used would play a large part in determining how fast and how much farmers could increase output. Steps would have to be taken to see that enough labor was available if farmers were to produce at a maximum rate. The same would be case for machinery, repair parts, motor fuel, oil, chemical fertilizers, and other supplies. Many of these items also would be in great demand by industry and the armed services.

### Expenses Would Rise

*What incentives to produce farmers would have:* In taking steps necessary to increase production, farmers would have to be certain that it would pay. In many cases, farmers would have to buy machinery, equipment, and supplies. Operators and their families would have to work longer hours. Many would have to farm more intensively with the result that costs of production might rise relatively more than output.

*The weather and other hazards:* Our discussion of our agricultural production potential has been based on the assumption that the weather would be as favorable as the average for the last decade. But every farmer knows the danger of taking the weather for granted. If we should have a drought as severe as that of 1934, total farm output might drop as much as one-fifth. Furthermore, the effects would

linger for several seasons afterward because of the reduction of feed supplies and the liquidation of livestock. Under such conditions, meeting emergency food needs would be difficult and might become critical unless ample reserves were available from previous years.

So far we have considered emergency food needs from the point of view of the potential productive capacity of our farms. There is another side to the problem—the consumption side—where much can be done if the need is great enough.

In the past, production of livestock products has taken nearly 80 percent of the land and 75 percent of the labor farmers have used for all food production. During and since the war, livestock products have provided about 45 percent of the food nutrients in our diets. By shifting part of our agricultural resources out of livestock production into food crops we could greatly expand our total food supply, in terms of nutrients.

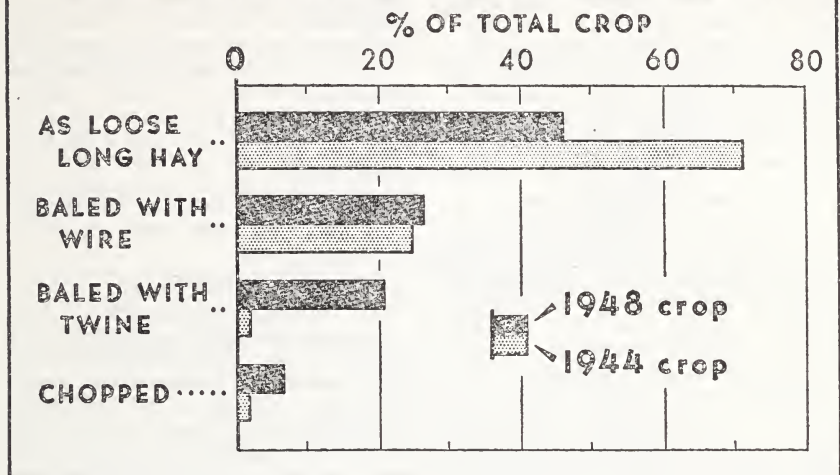
### No Shortage in Sight

Such a course would change the average American diet considerably. It also would result in shifts in the use of land, labor, and other farm resources. It is not likely to become necessary but it is one of the courses open if the need becomes great enough.

This brief review of our agricultural potential indicates that either in peacetime, or in a period of international crisis, farmers are likely to continue to produce enough food for our needs. With favorable weather and assuming that the necessary labor and supplies are made available, there seems to be no prospect for a critical food situation.

Sherman E. Johnson  
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## HAY HARVESTED BY SPECIFIED METHODS, 1948 and 1944 CROPS



U. S. DEPARTMENT OF AGRICULTURE

NEG. 47691-XX

BUREAU OF AGRICULTURAL ECONOMICS

## Machine Age Arrives In U. S. Hay Fields

**T**HE MACHINE age has arrived in the Nation's hay and forage fields.

Farmers have been buying hay and forage harvesting machinery at a high rate in every year of the last decade except 1943 when supplies were short. In recent years, purchases of the new-type pickup hay balers and forage harvesters has been particularly heavy.

### Big Gain in Baling

According to information provided by Crop Correspondents for BAE, one of the outstanding changes in haymaking during the last decade has been the increase in the baling of hay. In 1948, farmers baled about 47 percent of all hay harvested compared with 27 percent in 1944 and only 15 percent in 1939. Use of the windrow pickup balers has increased rapidly. In 1948, these machines accounted for more than three-fourths of all hay baled, compared with about half in 1944 and about a sixth in 1939.

The twine baler, which was practically nonexistent in 1940, has increased in popularity rapidly and in 1948 was used for about 45 percent of the hay baled. Of the 51,000 windrow pickup hay balers delivered by manufacturers to distributors who served our farmers in 1949, about 64 percent were twine balers.

Twine balers are used most extensively in the more humid areas of the North Central States and the Northeastern States where the bulk of the hay is fed on the same farm where grown.

### Wire Balers Widely Used

Although twine balers are gaining in popularity, more than 55 percent of all hay baled in 1948 was baled with wire balers. Use of the wire baler is widespread but they are most popular in the Southwestern and Southern States where they usually account for half the crop.

Along with the tremendous increase in the baling of hay, there has been a marked decline in the tonnage fed or sold as loose, long hay. Only 46 percent of the crop was handled in this manner in 1948 compared with more than 70 percent in 1944.

Storing hay as loose, long hay is a long established practice and is still important in many States. It accounted for more than half of the crop in the Lake States, the Dakotas, Nebraska, and most Mountain States.

### The Field Forage Harvester

The remaining 7 percent of the 1948 hay crop was chopped. Although some hay was chopped in all States, Wisconsin, Iowa, and the Pacific Coast and Mountain States accounted for the bulk of it. Only 2 percent of the total hay crop was chopped in 1944.

Increasing use of the field forage harvester ranks with the rise in hay baling as an outstanding change for the last decade. These machines harvested almost a third of the corn silage in 1948—more than three times as much as in 1943—55 percent of the sorghum silage tonnage and 40 percent of the grass silage. Stationary cutters accounted for the rest of the silage from the three crops. Many of the

owners of field forage harvesters use them for custom work.

The field forage harvester was used for half or more of the corn silage of the Corn Belt, the Great Plains, and the Mountain and Pacific Coast States. In all parts of the country use of the field harvester for corn silage appeared to be most popular on farms where the tonnage harvested was large. About 60 percent of the corn silage on farms with 200 or more tons per farm was harvested by field harvesters in 1948. On the other hand, these machines accounted for less than 20 percent of the tonnage on farms with less than 50 tons per farm.

### More Grass Silage

The increased availability of the field forage harvester has been an important factor contributing to the rapid increase in production of grass silage in recent years. Of the about 5 million tons of grass-silage estimated to have been made in 1948, 55 percent was produced in the Northeastern States, about 15 percent in the Lake States, 10 percent in the Corn Belt, and about 10 percent in the Pacific Coast States.

Albert P. Brodell  
Charles G. Carpenter

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## Fewer Farm Families Buy Fruit

A SMALLER share of the families whose breadwinners are farmers buy fresh citrus fruits, canned and frozen fruit juices, and dried fruits than of families whose incomes are obtained from other work. This was found in a study of the results of monthly surveys of household consumer purchases of these items in October 1949–March 1950.

The table below shows the percentages of families in different occupational groups which bought these fruit

products. Fresh citrus fruit was purchased by a higher percentage of farmers' families than the other items. Frozen concentrated grape juice and orange juice were least popular.

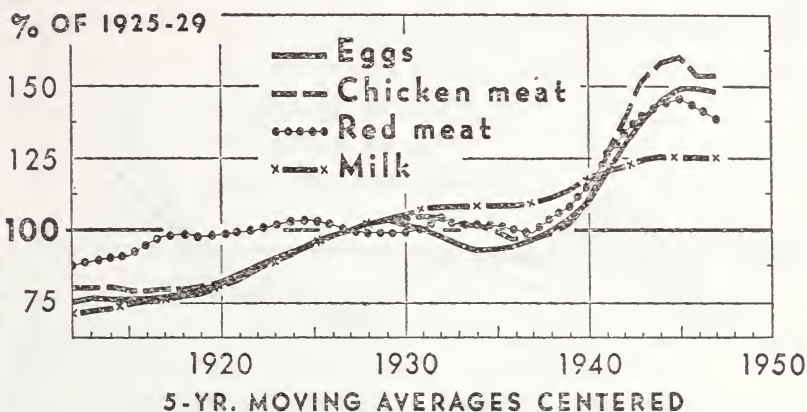
Only a small part of the results of the surveys are shown in the table.

The surveys were made by the Industrial Surveys Company, Inc., under contract with BAE and PMA. Fruit industry groups are cooperating in financing the project. The monthly surveys are continuing.

Occupation of family head	Frozen concentrated		All canned juices	All fresh citrus	All Dried fruits
	Orange	Grape			
Executive, professional.....	47.1	11	90.6	93.9	80.1
Clerical, sales, service.....	36.4	5.9	89.5	89.4	73.4
Craftsmen, laborer.....	25.7	4.8	82.9	89.4	69.2
Farmer.....	6.9	1.4	59.4	82.8	66.7
Unclassified.....	20.0	3.8	78.4	86.9	73.4



## U. S. PRODUCTION OF EGGS, CHICKEN MEAT, RED MEAT, AND MILK



U. S. DEPARTMENT OF AGRICULTURE

NEG. 47608-XX

BUREAU OF AGRICULTURAL ECONOMICS

## Poultrymen Step Up Output Faster Than Other Livestock Producers

**P**RODUCTION of chickens and eggs in the United States has expanded remarkably in the last 20 years. The increase has been even greater than for the other livestock products, despite the fact that poultry and egg prices have increased considerably less than prices for meat animals and dairy products.

A study of the competitive position of chicken and eggs in the United States shows that from 1925-29 to 1945-49, production of eggs rose 49 percent and chicken 51 percent. The combined gain for eggs and poultry was about 50 percent, about a tenth more than for other livestock products.

### Poultry Prices Lag

Prices of all livestock products were considerably higher in 1945-49 than in the earlier period. But egg prices were up 10 percent less and chicken prices 20 percent less than other livestock

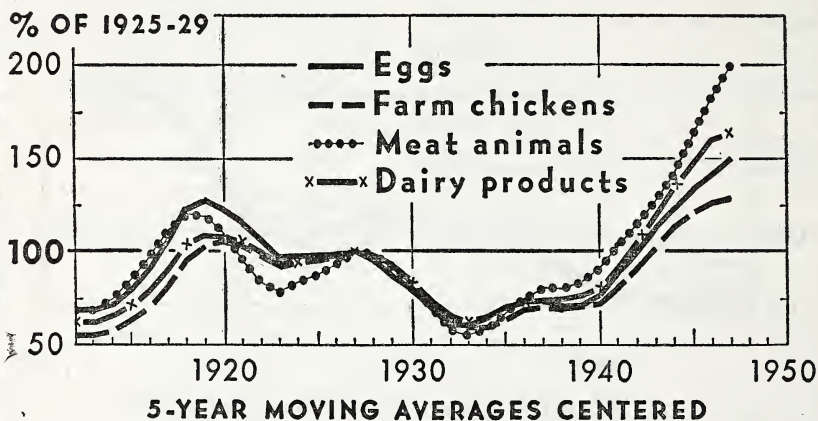
products. This year, prices of eggs and chickens are even lower compared with dairy and meat animal products.

The expansion in total livestock production has been partly due to improved production practices and larger supplies of feed and other resources. During the same time, demand for these products has been increasing. The growth in our population increased the number of consumers by 23 million from 1925-29 to 1945-49. And consumers were willing to buy larger quantities, even though prices were higher.

### Demand Increases

Consumer demand for poultry products, particularly for chicken meat, has increased along with the general rise in demand for livestock products. Furthermore, Government price support operations and the large exports during 1945-49 meant that the total

# FARM PRICES FOR EGGS, CHICKENS, MEAT ANIMALS, AND DAIRY PRODUCTS



U. S. DEPARTMENT OF AGRICULTURE

NEG. 47609-XX BUREAU OF AGRICULTURAL ECONOMICS

demand for eggs and poultry was farther above 1925-29 than for other livestock items. However, more of the increase in production of eggs and chickens over the last 20 years was due to conditions affecting supply than to the increase in demand.

## Rate of Lay Changes

The clearest evidence of the effect of improved production practices in egg production is the 35 percent increase in the rate of lay per hen from 1925-29 to 1945-49. More widespread adoption of improved strains of chickens by farmers, an increased proportion of pullets in the laying flocks and improved feeding, sanitation and other practices accounted for this change.

Along with the increase in the rate of lay, poultrymen have evened out seasonal variations in production and a much higher proportion of the annual output now occurs in the fall and winter. This means that both the consumption of eggs and the prices farmers receive change less from season to season than in past years.

Improved production practices adopted by poultrymen over the last

two decades have resulted in a decided reduction in the quantities of feed, labor and other items used in producing eggs. Prices for these items have gone up enough so that the average cost of producing an egg in 1945-49 was above 1925-29. However, it is estimated that the increase in unit costs of producing eggs was about a tenth less than for meat animals and dairy products.

## Chicken Output Up Less

While production of eggs rose 49 percent from 1925-29 to 1945-49, output of chicken meat from farm grown chickens was up only 14 percent. Part of the lag in chicken meat production was due to the fact that farmers did not increase output of young chickens for the market as fast as egg production rose. Output of meat from mature chickens also expanded at a slower rate than egg production. This resulted mainly from the fact that as the rate of lay increased, the number of hens in laying flocks increased less than egg production. Consequently, the amount of meat produced from birds culled from laying flocks also in-

creased less. Mature and young farm chickens each accounted for half of total farm chicken production in both 1925-29 and 1945-49.

If farm raised chickens had been our only source of supply, consumption of chicken meat per person would have been 10 percent less in the last 5 years than it was in 1925-29. Actually, however, consumption of chicken meat per person was 26 percent greater than in the earlier period. This increase was possible because of the remarkable expansion of the commercial broiler industry.

### Costs Up Less

The expansion of the broiler business and the general improvement in production practices resulted in a smaller increase in costs of producing chicken meat than of eggs or other livestock products. It is estimated that the average cost of producing a pound of chicken meat went up about a fifth less than unit costs for other livestock products.

The percentage of all farms that produce chickens and eggs has remained around 80 percent but the number of farms has declined. Since total production has expanded about 50 percent, output per farm has gone up even more. Furthermore, the larger units now account for a larger proportion of total output than formerly. In the case of chickens, the expansion of the broiler industry largely accounts for the increased share of total output produced by larger units. In the case of eggs, the shift was not as marked but farms with large flocks are pro-

ducing a larger share of the total than formerly.

Looking ahead to the next decade, the trends now underway suggest that the improvements in chicken and egg production practices will continue though probably not as rapidly as in the last decade. With larger production of feed, supplies of chickens and eggs may continue to expand.

Demand for these products will increase as the population grows if general economic conditions remain favorable. An appraisal of the factors that may affect demand for poultry products in the next decade, indicates that consumption of both chicken meat and eggs in 1960 may be about 10 percent above the 1945-49 level. However, the total market outlet would expand only about 6 percent if exports decline to prewar levels.

### Near 1960 Levels

This year, we expect to produce 6 percent more eggs and 8 percent more chicken than the averages for 1945-49. In other words, current production already is almost up to the levels suggested for 1960. The low prices for chickens and eggs, compared with other livestock products, are largely due to this rapid expansion in output. Unless production declines in the next year or two and then expands at about the same rate as the population grows, prices will continue relatively low. The reduction in the number of chickens raised this year indicates that such an adjustment is under way.

R. P. Christensen  
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## Lets Customers Do the Harvesting

*A New Hampshire strawberry grower who allowed families to go into his berry fields to do the work—and enjoy the savings and the fun—of berry picking made a better profit in 1949 than he did from berries picked by hired labor. The State extension service reports that several growers have followed this innovation this season.*

*The grower found that he could sell his berries to customers who came to his farm and picked their own for a net of 23 cents a box, says the New Hampshire Extension Service. For the remainder of the crop, picked by hired labor, he netted only 20½ cents a box. The consumer pickers were able to save several cents a box on what local stores would have charged for the fruit.*



# New Sweetpotato Products

## Pass Consumer Test

**T**HREE NEW food products made from sweetpotatoes are acceptable to more than a third of United States consumers, according to the results of Nation-wide acceptance tests made by the Alabama Agricultural Experiment Station and the Bureau of Agricultural Economics.

The three products are:

*Alayam candy*, a brittle made from sweetpotato puree, finely ground coconut and sugar.

*Alayam snacks*, made with the same ingredients as the candy.

*Alayam breakfast food*, a ready-to-eat product made from sweetpotatoes and wheat bran.

The three products were developed by the Alabama Agricultural Experiment Station in an effort to find ways to increase the use of sweetpotatoes. Consumption of sweetpotatoes per person has declined steadily for three decades, dropping from 26 pounds per person in 1909 to 14 in 1949. Because of the increase in population, however, total consumption of sweetpotatoes during the last decade averaged about the same as in 1909-19.

### Study Production Methods

The Alabama Experiment Station is working on methods of producing the three Alayam products in large quantities. Satisfactory production techniques will be necessary if the products are to be widely distributed in food stores.

In the tests, consumers selected at random were allowed to sample the three Alayam products. In the case of each product, more than a third of those making the test said they would buy it if it were on the market. The studies were financed under the Research and Marketing Act.

Consumer acceptance of the new Alayam candy compared better with brittles and hard candy than with other candies. Compared with all candies, more than 40 percent of the consumers who took part in the test

said they liked Alayam candy as well as or better than the candies they were buying.

More than a third said they would buy it if it were on the market and 11 percent were undecided or did not express an opinion. A little over half of the consumers said they would not buy it, but more than half liked the texture or quality of Alayam candy and about half liked its flavor or taste.

### South Most Favorable

Nearly a fourth of the consumers who tasted the Alayam snacks said they liked them as well as the snacks they usually bought. The response was most favorable among consumers living in the South. Those in low-income groups and those living in rural areas generally were more favorable toward the product. Women usually liked it better than men and the older folk liked it better than the younger ones.

Reactions to Alayam breakfast food were similar to those for the snacks. Nearly a fourth liked it as well as or better than the ready-to-eat breakfast foods they usually ate. The most favorable response was given by people living in the South. Consumers in low-income groups and those in rural areas were the groups generally more favorable to the product.

### Reports Published

Detailed reports on each of the three Alayam products have been published by the Alabama Agricultural Experiment Station. Each report contains several tables which show how the people who participated in the acceptance test reacted. The tables show these reactions by regions, population density, income levels, age, sex, and educational and occupational status. The reports will be of particular interest to those who wish to determine whether or not to produce Alayam products for the market.



# Trees and Grass Cover Half of Stripped Coal Lands

**T**HERE HAS been a lot of public clamor for "doing something" about the appearance of thousands of acres of agricultural land that has been converted into barren spoil piles of earth by strip coal mining.

Fortunately, much has been done. Public demands plus the interest of coal companies in finding a productive use for the stripped areas has resulted in many rehabilitation experiments. Some type of development has been attempted on over half of the 300,000 acres that have been stripped in Illinois, Indiana, Kansas, Missouri, Ohio, Pennsylvania, and West Virginia.

Grass covers about 30 percent of the rehabilitated areas and much of it is being used for pasture. About a fifth of the land is in forest, about two-thirds of which have been planted. About 5 percent of the land is devoted to recreational, industrial, and other uses. But the remaining 45 percent is still in spoil piles.

Use of stripped land is limited by topography, soil types, and availability of water. Only a small part cannot support plant growth. Legislation and tax policies also help determine how it is developed.

## Pastures Popular in Illinois

Greatest efforts in developing pastures on stripped areas probably have been made in Illinois where several large coal companies have seeded over 15,000 acres to grass. Cattle and sheep belonging to mine operators and farmers are now grazing on most of this acreage. On well developed spoil bank pastures, cattle gain almost as rapidly as on nearby unimproved pastures.

Naturally grassed spoil banks are used for pasture in many States, usually in areas stripped over 25 years ago. Natural grassing can be speeded up greatly by fertilizing and seeding.

More than half of the stripped lands in Indiana are now in trees, largely because State laws encouraged plantings.

Several of these areas are now in parks and State forests. Plantings still are too young to accurately predict their commercial possibilities. Chances for success of future plantings have been improved by experience and experimental work.

Natural reforestation is most likely to be successful in areas where surrounding land still is forested. Lands reforested naturally usually have a higher proportion of the less desirable species than surrounding forests or planted areas.

## Favor Recreational Uses

Coal companies appear to favor development of stripped lands for recreational uses. Illinois has two stripped areas in its parks and many counties, cities, and private groups in other States have developed stripped lands for similar purposes. Small areas are used for homes and industrial establishments.

Stripped areas also serve a useful purpose as wildlife refuges. Although the terrain often is rough for hunting, spoil banks provide excellent cover for birds, game, and other wildlife. These benefits are partly offset by the fact that predatory animals, such as foxes, also thrive in these areas.

Crops have been grown experimentally on stripped lands but without much success. In most cases, costs of leveling and fertilizing in preparation for cultivation are too great to be justified by the returns expected. Orchards, nut trees, and vineyards show promise for some areas.

Most of the land not yet rehabilitated probably will be restored eventually to some productive use. In many cases, though, the new use will be less productive than the prestripping use. This is especially true for cropland which is most likely to be used for pasture or forests after stripping.

George H. Walter  
*Bureau of Agricultural Economics*

# Some Things to Think About

## When Buying a Home Freezer

**D**O YOU OWN a freezer? If not, are you thinking of getting one? Maybe you haven't quite made up your mind about the kind to get. Or maybe you're wondering whether you can afford one at all.

What are the advantages of owning a freezer? There are several. First, there's the convenience of having your meat prepared, ready for the oven or the frying pan, of having your peas shelled ready to pop into boiling water, your berries hulled and washed, ready to be made into a luscious pie. Whether you process your own foods for the freezer, whether you rent a locker in a nearby town where you store your supplies until needed, or whether you buy your frozen foods at the grocer's, you'll find it convenient to have the foods right at hand, ready to cook, without so many trips to the store.

Your family meals will have greater variety. That's an advantage, especially during seasons when a good many fresh foods are not on the market. Strawberries in January are no longer the luxuries they were a few years ago, whether they come from your own patch or from the grocery.

### Things To Think About

You will find too, that a freezer or a freezer compartment in your refrigerator will keep the foods for a good while without any loss in quality.

If you do decide to buy a freezer, you want one that will fit your family's needs. A report called *Marketing Frozen Foods—Facilities and Methods*, put out by the Production and Marketing Administration, lists some of the things to think about in buying one. Here they are:

First, the size. This will depend partly, of course, upon the size of your family. If your family is small, say, your husband, yourself, and your two

children, you won't want one of the largest. The smallest home freezers made have a capacity of about 3½ cubic feet. The largest may run to as much as 100 cubic feet. Other things that may affect the size you need are your methods of buying food, the amount of home processing you do, and whether or not you rent a locker.

The freezer you buy must be able to store your frozen foods at a near-constant temperature of 0° F. If you're going to use it to freeze a lot of food, it must be built to do this and at the same time it must hold the foods already frozen at a constant temperature.

### Size, Shape Important

You'll want your freezer in a place that you can get to easily. So you'll want one that is the right size and the right shape to fit into the space you have in mind, or that is available for it. Be sure that the floor is strong enough to bear its weight. This is important.

Maybe you have a corner in the basement that you think will be just right, and easy to get to. But if your basement is damp, it won't do. Continuous moisture on the outside of the freezer can cause the metal to rust rapidly.

If you can, though, put the freezer in an unheated room. That way, the cost of operating it won't be so high. And this matter of cost is pretty important, especially when it comes to the amount of electricity the freezer will use over a given period.

Make sure you will be able to get new parts for your freezer without having to send to the factory for them.

Get a written guarantee from your dealer. These are given by the manufacturer and cover parts and labor.

When your freezer is delivered, have an electrician check the power in your

house. This should always be done when a freezer is installed.

Check for leaks at the door sills. They'll make the door stick and your power will cost more.

It's essential to have a warning signal that will tell you when the electric current fails, or when for any other reason, the temperature rises above a "safe" level. Sometimes this "alarm" is built in. If not, you will want to install your own.

The dealer will furnish you with defrosting instructions. Be sure to get and follow them.

To get the maximum use from your freezer, that is, assuming you're going to do a lot of processing of food, yourself, process most of your meat and winter vegetables in winter, when last spring's supply is running low. Allow for at least two complete turn-overs of the capacity of your freezer each year.

In other words, your family of four might use as much as 1,200 pounds of frozen foods in a year. Unless you find it necessary to store more than half of this at one time, a freezer with a net capacity of about 600 pounds probably will fit your needs. This would mean a 20-cubic foot freezer, since capacity usually is figured at about 30 pounds per cubic foot.

### Can Be Home Made

If your family is large and you feel that you need a freezer bigger than 30 cubic feet, it may pay the man of the house to build one. He can use more insulation than is used in the factory-built freezers, and for this reason, his home-made one may be cheaper to operate, if he builds it well.

When or if you buy or build a freezer, yours will be 1 of 1,200,000 or more home freezers of all types in the United States, a majority of which are in rural or rural-urban areas. Although no accurate figures as to the number of home freezers are available, the National Electrical Manufacturers Association has indicated that in the early part of 1949 about that many were in use. Before World War II there were only a few scattered over the country.

Esther M. Colvin  
*Bureau of Agricultural Economics*

# Outlook Highlights

... SEPTEMBER 1950

## Scare Buying Ebbs

Scare buying that resulted from Korean outbreak ebbed considerably in recent weeks. During the rest of year the military expansion in prospect is not likely to interfere with the flow of goods to civilian markets to any important extent. Even steel, already in tight supply, will not be affected greatly. Total military requirements will represent only 6 percent of capacity.

Chief market effect of military program is likely to result from strengthening in demand as more overtime work and employment increase consumer incomes.

## Wholesale Rise Slows

The rise in wholesale prices slowed down in August after rising an average of 1 percent a week during July. Biggest gainers during August were textiles and building materials with other industrial products also rising. Wholesale prices of farm and food products changed little.

During the July advance, farm and food products led the way with gains of more than 7 percent. Smaller increases were registered by other commodity groups.

## Farm Prices Up Slightly

After making a 6½ percent jump from mid-June to mid-July, the index of prices received by farmers rose only 1½ percent from mid-July to mid-August. Sharp increases in cotton and cottonseed and higher prices for dairy and poultry products accounted for most of the rise in the index. Other gainers were rice, dry edible beans, wool and all meat animals except beef cattle. Declining were other grains, soybeans, flaxseed and fruits.

Almost two-thirds of the 12 percent rise in the average of prices received by farmers since January has been due to sharp increases in meat animal prices.



## Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	5-year average		August 15, 1949	July 15, 1950	August 15, 1950	Effective parity price August 15, 1950 <sup>2</sup>
	Base period price 1910-14 <sup>1</sup>	January 1935- Decem- ber 1939				
Basic commodities:						
Cotton (pound).....cents..	\$ 12.4	10.24	29.32	33.05	36.95	31.25
Wheat (bushel).....dollars..	\$ 8.84	.837	1.79	1.99	1.97	2.23
Rice (cwt.) <sup>4</sup> .....do.....	1.93	1.65	4.49	4.44	4.70	5.11
Corn (bushel).....do.....	\$ 6.42	.691	1.18	1.44	1.44	1.62
Peanuts (pound).....cents..	\$ 4.8	3.55	10.2	10.9	11.0	12.1
Designated nonbasic commodities:						
Potatoes (bushel).....dollars..	\$ 1.12	.717	\$ 1.53	1.27	1.22	1.76
Butterfat (pound).....cents..	27.7	29.1	60.5	59.4	60.3	71.5
Milk, wholesale (100 lb.).....dollars..	1.73	1.81	3.86	3.58	\$ 3.73	4.43
Wool (pound).....cents..	20.1	23.8	48.0	57.1	58.3	51.9
Other nonbasic commodities:						
Barley (bushel).....dollars..	\$ 6.19	.533	.968	1.15	1.12	1.48
Cottonseed (ton).....do.....	26.30	27.52	44.40	\$ 52.00	70.90	67.90
Flaxseed (bushel).....do.....	1.71	1.69	3.56	3.39	3.35	4.41
Oats (bushel).....do.....	\$ 3.399	.340	.582	.763	.706	1.960
Rye (bushel).....do.....	\$ 7.20	.554	1.20	1.26	1.25	1.72
Forghum, grain (100 lb.).....do.....	\$ 1.21	1.17	1.87	1.90	1.88	2.00
Soybeans (bushel).....do.....	1.00	.854	2.60	2.93	2.42	2.58
Sweetpotatoes (bushel).....do.....	.821	.807	2.67	2.08	2.18	2.38
Leaf cattle (100 lb.).....do.....	6.78	6.56	19.40	24.50	24.10	17.50
Chickens (pound).....cents..	11.4	14.9	25.1	23.4	25.4	29.4
Eggs (dozen).....do.....	\$ 21.5	21.7	48.8	34.2	38.0	51.5
Pigs (100 lb.).....dollars..	7.52	8.78	19.40	21.50	21.60	10.40
Lambs (100 lb.).....do.....	7.48	7.79	21.20	24.60	24.90	19.30
Veal calves (100 lb.).....do.....	7.62	7.80	22.00	26.70	27.40	19.70
Oranges, on tree (box).....do.....	\$ 2.29	1.11	.78	1.22	.72	3.59
Apples (bushel).....do.....	1.04	.90	1.94	2.65	2.34	2.63
Hay, baled (ton).....do.....	8.71	11.20	20.80	19.90	20.20	22.50

<sup>1</sup> Adjusted base period prices 1910-14, based on 120-month average January 1940-December 1949 unless otherwise noted.

<sup>2</sup> Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948 and 1949.

<sup>3</sup> 60-month average, August 1900-July 1914.

<sup>4</sup> Beginning with this report, rice prices will be reported in dollars per cwt.

<sup>5</sup> 10-season average 1919-28. <sup>6</sup> Revised.

<sup>7</sup> Transitional parity, 65 percent of parity price computed under formula in use prior to Jan. 1, 1950.

<sup>8</sup> Preliminary.

<sup>9</sup> Relatively insignificant quantities sold for crushing this month.

## Outlook Highlights

### Small Gain in Prices Paid

Higher prices for food, clothing, building materials, and household furnishings were largely responsible for the slight gain in the index of prices paid by farmers including interest, taxes, and wage rates from mid-July to mid-August.

With prices paid and prices received up about equally, the parity ratio stayed at 103.

### Record Output Continues

During July, our factories continued to produce at near the record breaking level of June, even though numerous plants were shut down for vacations. Some slackening in both the durable goods and soft goods industries.

With home building continuing at a record volume, spending for private construction in July was 6 percent above June and 32 percent above July last year. Public construction also was up 6 percent from June and was 9 percent above a year earlier.

Nonfarm employment rose for the fifth straight month in July to equal the previous peak of August 1948.

### Meat Demand Strengthens

Demand for meat has strengthened this summer and spring and is now much stronger than it was a year ago. Further strengthening this fall and winter is in prospect as the defense program pushes consumer income still higher.

Although demand this fall may be strong enough to offset part of the

(Continued on page 16)



# Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39=100) <sup>1</sup>	Total income of industrial workers (1935-39=100) <sup>2</sup>	Average earnings of factory workers per worker (1910-14=100)	Wholesale prices of all commodities (1910-14=100) <sup>3</sup>	Index numbers of prices paid by farmers (1910-14=100) <sup>4</sup>			Index numbers of prices received by farmers (1910-14=100) <sup>4</sup>			
					Commodities	Wage rates for hired farm labor <sup>5</sup>	Commodities, interest, taxes, and wage rates	Livestock and products			
								Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average.....	58	50	100	100	100	100	100	100	100	100	100
1915-19 average.....	72	90	152	158	149	147	148	147	153	162	157
1920-24 average.....	75	122	221	160	159	181	168	159	163	121	140
1925-29 average.....	98	129	232	143	151	184	161	161	155	145	152
1930-34 average.....	74	78	179	107	117	121	124	105	94	83	91
1935-39 average.....	100	100	199	118	124	121	125	119	108	117	115
1940-44 average.....	192	236	315	139	148	211	152	169	145	166	162
1945 average.....	203	291	389	154	180	359	189	230	194	207	210
1946 average.....	170	276	382	177	197	387	207	267	197	248	241
1947 average.....	187	328	436	222	231	419	240	272	219	329	287
1948 average.....	192	354	472	241	250	442	259	300	235	361	314
1949 average.....	176	325	478	226	<sup>6</sup> 240	429	250	251	219	311	272
1949											
August.....	170	323	477	223	238	-----	249	244	225	310	271
September.....	174	331	486	224	<sup>6</sup> 237	-----	248	251	236	319	279
October.....	166	307	481	222	237	414	246	258	230	301	271
November.....	173	313	474	221	236	-----	245	261	216	286	262
December.....	179	325	489	221	237	-----	246	261	194	280	255
1950											
January.....	183	323	490	221	238	429	249	254	158	286	249
February.....	181	316	491	223	237	-----	248	250	155	306	257
March.....	187	<sup>6</sup> 337	493	223	239	-----	250	243	165	308	258
April.....	150	<sup>6</sup> 340	496	223	240	427	251	235	161	312	256
May.....	195	<sup>6</sup> 348	503	228	244	-----	254	230	154	342	269
June.....	199	362	513	230	<sup>6</sup> 245	-----	255	227	156	342	268
July.....	<sup>7</sup> 197	-----	-----	238	247	429	256	232	173	371	257
August.....	-----	-----	-----	-----	248	-----	258	240	191	369	292

Year and month	Index numbers of prices received by farmers (1910-14=100) <sup>1</sup>								All crops and live-stock	Parity ratio <sup>4,5</sup>
	Crops									
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil-bearing crops	Fruit	Truck crops	All crops		
1910-14 average.....	100	100	100	100	100	100	-----	100	100	100
1915-19 average.....	193	161	183	175	201	126	-----	171	164	111
1920-24 average.....	147	125	189	197	155	157	<sup>6</sup> 152	162	150	89
1925-29 average.....	141	118	169	150	135	146	145	143	148	92
1930-34 average.....	70	76	117	77	78	98	104	84	88	71
1935-39 average.....	94	95	172	87	113	95	95	99	107	86
1940-44 average.....	123	119	241	138	170	150	164	145	154	101
1945 average.....	172	161	360	178	228	244	207	203	206	109
1946 average.....	201	196	376	237	260	250	182	227	234	113
1947 average.....	270	249	374	272	363	212	226	263	275	115
1948 average.....	250	250	380	270	351	174	214	252	285	110
1949 average.....	219	170	398	245	242	199	201	223	249	100
1949										
August.....	205	165	400	246	241	181	170	214	244	98
September.....	211	166	393	250	227	160	188	212	247	100
October.....	213	161	396	241	221	180	174	210	242	98
November.....	215	157	369	233	220	172	213	210	237	97
December.....	219	168	394	223	225	174	196	210	233	95
1950										
January.....	218	170	382	222	223	185	261	219	235	94
February.....	219	171	389	231	228	186	203	215	237	96
March.....	224	174	383	236	230	193	163	215	237	95
April.....	227	181	389	242	239	206	205	225	241	96
May.....	230	190	387	246	248	195	178	223	247	97
June.....	218	190	388	251	254	207	182	225	247	97
July.....	226	195	387	278	267	211	200	236	263	103
August.....	224	193	399	311	293	200	164	239	267	103

<sup>1</sup> Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.

<sup>2</sup> Computed from data furnished by Bureau of Labor Statistics and Interstate Commerce Commission on pay rolls in mining, manufacturing, and transportation; monthly data adjusted for seasonal variation. Revised January 1950. <sup>3</sup> Bureau of Labor Statistics.

<sup>4</sup> Revised January 1950. <sup>5</sup> Farm wage rates simple averages of quarterly data, seasonally adjusted.

<sup>6</sup> Revised. <sup>7</sup> Preliminary.

<sup>8</sup> Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis. <sup>9</sup> 1924 only.

# Outlook Highlights

effect of the increase in marketings of meat animals, it is not expected to prevent some price declines. Prices of hogs probably will go down as marketings increase but will be higher than last fall. Moderate reductions are in prospect for both grass and fed cattle.

## Milk Prices Gaining

Trend in wholesale milk prices received by farmers will be seasonally upward through the rest of 1950. This will result mainly from increases in fat content of the milk, an increase in proportion of milk used in class I outlets and scheduled rises in prices of milk for fluid consumption.

Not much change is expected in near future in prices of milk for manufacturing. Though demand has increased some and production is declining seasonally, total output still exceeds demand at the support prices. Furthermore, USDA stocks of butter and cheese are available at prices moderately above support levels.

## Tobacco Record Likely

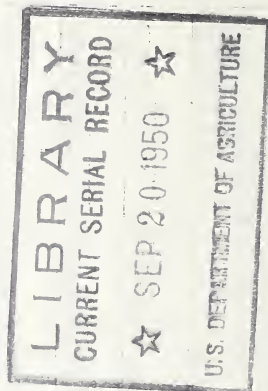
Consumers are expected to set a new spending record for tobacco products during the fiscal year 1950-51. With high employment and income in prospect, cigarette consumption probably will top all past peaks while use of other tobacco products may increase over 1949-50.

Exports of tobacco leaf in 1949-50 are expected to be close to the last fiscal year's level when they were highest in 3 years.

## Cotton Supply Drops

The supply of cotton for the 1950-51 season, which began August 1, is expected to be 16.8 million bales, a fifth less than last season. This would be only about 2 million bales more than the 1950 total of domestic mill consumption and exports.

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